

# Identify your customer

Meet regulatory requirements without friction

## The biggest problem you aren't solving

Every day, financial organizations work to penetrate new markets, grow their customer base, improve the customer experience, manage risk and contain costs. Their success is measured in fractions of percentage points. Meanwhile, data indicates that more than 10 percent of creditworthy applicants fail to meet Customer Identification Program (CIP) requirements based on personally identifiable information alone and require additional effort to reconcile discrepancies and onboard and it increases if you're trying to attract younger customers and emerging markets.

In an industry where sophisticated strategies, immediate decisions and access to massive amounts of data fuel every effort to improve growth, customer experience and audit performance, CIP verification remains outdated and chained to limited data, inflexible decisions, and sometimes manual efforts, and poor customer experience. Even in the face of CIP rule revisions that demand more versatile and integrated solutions, financial institutions gravitate toward an approach that is already a drag an important metric. We know it can be challenging; we can help.

### Customer Identification Program

- Specific to the process for verifying identity
- A requirement of both the USA PATRIOT Act and the Bank Secrecy Act that also supports Know Your Customer programs
- Limited to the collection of data to establish a "reasonable" belief that the identity is valid — where "reasonable" allows for variances from one business group to the next (e.g., payday versus mortgage)

## A CIP solution that scales

To comply effectively, you need a wide range of trusted data providers and authentication services to deliver an intelligent, seamless decision.

Using a step-up approach, initial verifications that fail automatically cascade to the next data source or cutting-edge capability; such as document verification or biometrics. Built to meet your specific CIP criteria, this approach results in a consistent, objective and cost-effective outcome across the widest possible range of populations.

Meet CrossCore<sup>®</sup>, our purpose-built platform for fraud and identity services. It delivers a future-proof way to monitor and modify account and identity management strategies quickly, improve compliance and enhance the customer experience.

A single "call" to CrossCore can deliver CIP verification in tandem with fraud risk scores and data, maximizing the value of every piece returned by a backing service. And because no single system will ever have all the answers, CrossCore supports a best-in-class, omnichannel approach to managing a portfolio of services that work together in any combination — including Experian solutions, third-party services and your own systems.

CrossCore alleviates many of the challenges — cost, customer convenience, time and money — associated with compliance requirements and provides the support necessary to successfully meet compliance requirements for individual customers and commercial beneficial owners.

## Features

- Identity element validation, verification and high-risk conditional checks ensure ongoing data quality.
- Flexible search and match logic to balance verification rates and compliance requirements, with performance monitoring and tuning options.
- Device intelligence and advanced analytics to recognize good customers and isolate fraud threats.
- Step-up authentication includes one-time pass codes, biometrics, behaviormetrics, email/phone intelligence, document verification and knowledge-based questions.
- Alternative data assets to better identify diverse consumer populations.
- Portfolio or user population monitoring with alerts for identities exhibiting elevated levels of risk or exposure.
- A single access point to a flexible application programming interface reduces costs and complexity.
- Powerful strategy design and workflow decisioning enable faster testing, implementation and launch.
- A layered and flexible approach to identity and account management that quickly responds to guidance or mandates.

## Benefits

- Maintain the upper hand against compliance challenges by speeding the time to market with new tools and strategies and driving down the cost to deploy them.
- Perform better during audits using repeatable processes with minimal manual or subjective decisions.
- Increase operational efficiency and reduce costly manual processing.
- Create a competitive edge by reducing the friction and false positives that cause customer attrition.
- Understand the nature and purpose of beneficial owners to the organization to develop a holistic customer risk profile.



- Scan your portfolio of users and customers to detect potential synthetic identities or compromised customers.
- Better align your customer management strategies to balance positive recognition, accurate risk assessment and cost control.
- Avoid costly consent orders, remedial actions and substantial financial penalties.

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The better you recognize the customer,  
the better you can comply.

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### Regulations to watch

- The Bank Secrecy Act/Anti-Money Laundering (BSA/AML) (1970) — Established to detect/prevent money laundering and other criminal activities.
- The USA PATRIOT Act (2001) — The purpose is to deter terrorist acts and punish those who commit them in the United States and around the world and to enhance law enforcement investigatory tools.
- FACTA Red Flags Rule (2008) — Requires policies and procedures to identify and recognize red flags — e.g., patterns, practices or specific activities indicating the possible existence of identity theft — that occur during account opening, existing account maintenance, or new activity on an account that has been inactive for two or more years.
- FinCEN CDD Final Rule (2018) — Requires financial institutions to implement policies and procedures to identify and recognize beneficial owners of a business under the same criteria as an individual consumer.

## About Experian

Experian® unlocks the power of data to create opportunities for consumers, businesses and society.

For us, it's all about helping you effectively manage the compliance landscape while providing a positive customer experience. Talk with your local Experian sales representative today or call 1 888 414 1120.